

Town of Buena Vista

2010 Budget

December 8, 2009



Presented by :

Christine DeChristopher
Treasurer

Town of Buena Vista

2010 Budget

SECTION 1

INTRODUCTION

Town of Buena Vista

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Town of Buena Vista

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December 20, 2009

Dear Citizens of the Town of Buena Vista,

It is my honor to present the 2010 budget adopted by the Board of Trustees on December 8, 2009. Through the difficult world recession experienced in the past year, the Town of Buena Vista has remained economically stable. While we did not experience a great boom during the period between 2000 and 2008, but rather a slow gradual growth, we reaped the benefit of not experiencing a severe downturn during the past year. That is not to say that the local economy is free from ongoing challenges.

The 2010 budget reflects the continuing conservative approach of both the staff and the Board of Trustees to balance the need to provide desired services to citizens while maintaining an adequate safety net for Town operations.

The biggest challenges facing the Town finances in 2010 are to:

- 1) find a way to effectively manage the Airport so that it is a benefit to the Town and local businesses rather than a financial drain ; and
- 2) determine an appropriate long-term funding mechanism to provide for street infrastructure needs so that a viable capital improvement plan can be developed for the next ten (10) years.

In an effort to provide transparency regarding Town operations, a new format that shows the walk from the 2009 projected actuals to the new 2010 budget has been developed. The walk is shown in section 3 of the budget document and identifies changes that are one-time versus those that are operational (ongoing) changes or capital one-time changes. All departments were required to identify cuts of 3% of non-personnel costs from the base 2009 budget.

The Town of Buena Vista has strong reserves to cover day-to-day operations, but still lacks funding adequate to meet the growing capital improvement needs.

Please contact myself or the Town Treasurer, Christine DeChristopher, at Town Hall if you ever have any questions about this budget or Town finances in general.

Sincerely,

Sue Boyd
Town Administrator

Town of Buena Vista
2010 Budget

Buena Vista: 8,000 feet above average

Office of the Town Treasurer

Memorandum



TO: The Honorable Mayor and Board of Trustees

FROM: Christine DeChristopher, Town Treasurer

DATE: October 13, 2009

RE: Presentation of the Proposed 2010 Budget for the Town of Buena Vista

A. Background:

Although the Town of Buena Vista has not suffered the severe decline of sales tax revenues that the majority of Colorado municipalities have experienced in 2008 and 2009, there has been a slight decline that is an indicator of the need to be cautious. Throughout 2009 staff has been diligent about controlling costs and avoiding unnecessary spending.

The Town of Buena Vista has built up strong reserves while delaying capital expenditures over the last ten years. The 2009 budget had several capital items budgeted to begin the process of investing in infrastructure including streets, parks, and trails. The following projects were completed in 2009 with the combination of grant money and competitive bids that presented lower prices than in the last five years:

- the Town made a major investment in East Main Street with a new pedestrian friendly streetscape aided by a Mineral Impact Grant from the Department of Local Affairs (DOLA);
- With the assistance of a grant from Great Outdoors of Colorado (GOCO) and local businesses the Town created a new Boulder Garden within the River Park and placed a climbing boulder in the new South Main Town Square;
- Ten old style hydrants were replaced;
- The airport runway was fog sealed and striped with the assistance of the Federal Aviation Administration (FAA) Capital Improvement Program grant and CDOT Aeronautics matching grant;
- Designs for renovating the Airport Terminal building are ready for construction that will bring the building into compliance with modern building codes and ADA (Americans Disability Act) compliance with the assistance of an FAA grant;
- A new Public Works pickup truck that will be able to plow narrow streets that are popular in new urbanism developments was acquired in addition to two new police vehicles, a new shuttle vehicle for the Airport, and a new animal control vehicle.

Several new positions were created and filled that will position the Town to provide more timely and responsive services when development again takes off. A Town Engineer to review and inspect subdivision and building permits started in August, 2009. A Zoning compliance officer to address complaints from citizens regarding building and zoning issues started in July, 2009. The Airport added a receptionist/bookkeeper in June to maintain the public areas of the Airport while also assisting with customer needs and keeping the sales records. Finance added a part-time finance clerk in June to assist with accounts payable processing, payroll, and personnel record keeping.

Section 3 of the new Comprehensive Plan adopted in 2009 identifies the vision of Buena Vista for the future (*Appendix 1*). The key factors identified within the general community character, community spirit, community appearance, community services, environment, and economy have been considered as part of staff goal setting and development of the 2010 budget with the recognition that the vision will take time, money, and effort to achieve.

B. Budget Changes from Prior Years

The 2010 Budget has some structural changes from prior year budgets to incorporate new governmental accounting standards that the Town is required to follow for financial reporting purposes. *Appendix 2* has a concise summary of the changes in fund balance requirements and the changes in the definitions of funds for governmental reporting as prepared by Bondi & Co., LLC. The 2010 budget does not yet reflect the new classification of fund balances. Those changes will be discussed and deliberated for use in the 2010 financial statements at the end of the year.

However, the changes in the definitions of Fund categories affects the Town's ability to classify a special revenue fund and does affect the 2010 budget presentation. A special revenue fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. For instance, the Conservation Trust Fund has dedicated revenue that can only be used for the purposes set forth by the state legislature. From 2001 through 2009 the Town treated the Volunteer Firefighters Fund as a special revenue fund. Since there are not dedicated revenues that provide a substantial portion of the fund's inflows, it will no longer qualify as a special revenue fund. Therefore, for the 2010 budget the Volunteer Firefighters' Fund has been discontinued and all the past performance has been included as part of the General Fund. The Volunteer Firefighter's Department of the General Fund has been reinstated.

In addition, the Capital Improvements Fund had a line item for street maintenance that is not capital in nature. That line item has been moved to Public Works for the 2010 budget, but no changes in the past performance have been made for that item.

A new department within the General Fund has been created to separate the costs of the cemetery. The cemetery is actually a candidate for a special revenue fund. After separating the costs it will be easier to evaluate the need for a separate fund. The cemetery fees need to be reviewed before the January passage of fees for 2010 to evaluate the needs for maintaining the cemetery.

To better understand the base operating costs for the Town a new document was used for developing the 2010 budget. From the 2009 projections a 2010 base budget was

prepared that captured the ongoing year to year costs for each department. From that base a walk to the 2010 Proposed budget shows, by line item, the reductions from the base as requested by the Town Administrator, the one-time additions that will not carry forward to future years, the operational changes that will carry forward, and the capital additions that do not meet the Town's capitalization policy for depreciation purposes. This new document is in addition to the line item budget that also shows the line item history from 2005 through 2008, the 2009 budget, the 2009 projected actuals, and the 2010 proposed budget as required by Colorado Budget Law. The goal is to go back to the new base budget each year and walk to clearly show the changes each year and identify items that carry forward to future years and increase the base budget.

C. Budget Assumptions & Development

The Town Administrator requested each department to begin the budget process by reducing each departmental budget by 3% of the non-personnel budget. Those reductions are shown by line item in the budget walk shown in Section 3 of this budget document.

In addition, the budget contains no across the board Cost-of-living adjustment (COLA), but instead creates a merit pool to be used for pay increases in 2010. The Town Administrator is working with the Department Heads to define the evaluation process to be used in 2010 for distribution of the merit pool among employees in a fair and transparent manner. The goal is to move the Town staff towards a performance system that rewards excellence rather than longevity. The Consumer Price Index (CPI) for 2009 is forecast to be -.4% for the Denver/Boulder/Greeley area. The historical CPI is shown in *Appendix 3*.

The calculation of the property tax mil levy in accordance with the Tabor limitations worksheets utilizes the Denver/Boulder/Greeley CPI as one of the limits for property tax increases. The CPI is usually the limit that the Town is able to use for property taxes. The other limit is 5.5% growth which is a higher level than the Town has usually experienced. The 2010 property tax mil will fall from 6.32 to 5.912 due to the negative CPI. This will reduce the amount of property taxes most people will pay to the Town in 2010 for their 2009 assessment. The total property taxes collected by the Town will increase by \$5,300 from the 2009 budget due to the \$6 million of new construction added to the property tax rolls in 2009. The trend of property valuations, property taxes collected, and the mil levy is shown in *Appendix 4*. The calculation of the 2009 mil levy Tabor limitation is shown in *Appendix 5*.

Although the Town sales tax revenue is up 3.2% through July sales in 2009, the 2010 budget assumes no growth in sales tax revenues for either the Town or County sales taxes. Despite talk about the economy improving, the rebound is expected to be slow and unemployment nationwide will continue to be higher than desired levels in 2010, which could be expected to affect both tourist expenditures and the ability of baby boomers to retire so they can come here to play. Sales tax trends are shown in *Appendix 6*.

The draft budget presented has an amended 2009 budget that has not yet been approved in its entirety by the Board. A budget amendment is planned for the October 27th regular Board of Trustees meeting that will include all the items in the budget document. The few open items that are still fluid should be resolved by then.

All grants that have been submitted for consideration have been included in the 2010 budget. Any grants that have not been approved by the Board, or submitted, that may be available for 2010 are not included in the budget. For instance, the Fire Department plans to apply for a Homeland Security grant in March 2010 for a new fire truck. Neither the grant nor the fire truck are included in the 2010 budget, although they were shown in the Capital Improvement Plan. If any of those grants applied for are not received, then we will need to decide whether to proceed by amending the budget or delay the project.

D. Specific Budget Issues by Fund

General Fund:

The total General Fund Revenues are budgeted to be down .14%, or \$3,306. The level of ongoing revenues is down more but is offset by the onetime planned receipt of operating grants of \$56,750 for the Town Hall/Police station assessment, fire prevention activities (awaiting approval), and the Recreation planning grant (awaiting approval).

Due to changes in federal legislation Highway use taxes are budgeted to increase \$17,872 from the 2009 budgeted level. The benefit of the increases in fees was seen beginning in September, 2009 as the Town's income from highway use taxes increased. The revenue the Town receives is restricted to the construction and maintenance of streets and highways which includes police patrol, snow plowing, asphalt patching and repairing, and street sweeping. All other General Fund revenues have been budgeted very conservatively, most in line with 2009 projections. If development activity increases in 2010 the related fees can be expected to increase above the budgeted level. Section 2 of the Budget document contains a Revenue manual that provides more information about the Town's revenue sources.

Changes in the Clerk's budget include software for business licenses, the proposed purchase of cemetery records management software in 2010, and inclusion of training dollars for the deputy Town Clerk to attend the Clerk's Institute.

The Municipal Court expenditures for 2009 for the prosecutor were twice the budgeted amount. The court docket included 2 jury trials in 2009. The 2010 budget has been increased to \$19,000 from the 2009 budget of \$10,800.

The merit pool of \$38,900 for wages and benefits for the General Fund has been added to the Administrator's budget for distribution to other departments across the General Fund. With the movement of the fire department to the general fund the percentage of Town insurance allocated to the General Fund increases for 2010. The overall Workers Compensation insurance for 2010 is projected to be up from the 2009 premium, but the Property, Casualty and Liability insurance premium is expected to be down for 2010. *Appendix 7* shows the allocation of insurance costs across the funds. At this time the Town does not allocate insurance costs to the department level. A new computer for the Town Administrator is budgeted under Computer supply line item for the Administrator.

The capital addition of \$1,500 for the Development Coordinator is for the addition of a GIS license for the Zoning Officer to be able to access and update the GIS records.

The cost of postage for the general election by mail ballot is added under the election budget as a one-time cost since the elections occur only every other year.

The Financial Administration budget includes \$800 in one-time costs for a new computer for the finance clerk and operational changes for the support costs for the new software.

The Town Hall budget includes \$10,000 for the building assessment and \$800 for the addition of storage shelves on the second floor.

The Police department has no one-time or operational changes in the 2010 budget.

The Fire Department 2010 budget includes \$200 for flu shots as operational changes and \$14,250 of fire prevention costs to replace the Sparky costume and car used for fire prevention programs. The fire prevention costs are dependent upon the award of the FEMA grant that is due October 23rd.

The Parks and Cemetery department is now Parks, Open Space, and Trails and a new Cemetery department has been created. Costs from the Parks department have been transferred to the new Cemetery department. With the responsibility for two new parks, the Boulder Garden and South Main Town Square, the Parks budget has been increased for the additional water, fertilizer, and plants. In addition \$6,000 has been added as operational changes for the Southwest Conservation Corp to provide a week of trail maintenance. A capital addition of \$1,200 has been added to purchase a finish mower for the John Deere tractor. The Adopt-a-Tree program for street trees has been moved to the Public Support Department.

No operational changes are budgeted for Recreation, but the planning project for recreation and parks is budgeted at \$45,000 contingent upon the GOCO grant which will be awarded in December, 2009.

No changes are budgeted for the public safety complex, the rodeo grounds, or the community center. The update for the community center needs to be designed and a grant sought to assist with that project before it is added to the budget.

The Public Works budget includes \$2,000 for ½ the purchase of auto-cad software that the Town Engineer can utilize for water and street infrastructure related to both Town projects and subdivision developments. The Capital additions for Public Works include the purchase of a drafting table for the Town Engineer and the purchase of a weed eater and chain saw for the maintenance of street right-of-ways. With the demise of the grinding operations \$5,000 has been added to the Public Works department for brush pit cleanup.

The Public Support budget has been increased to accommodate a change in the operation of the BVTV station with a part-time employee working ten hours a week to run the station and film Town meetings. The request of the beautification committee for the Town to provide \$1,000 for flowers for the downtown planters has been included in the Beautification Committee budget. The requested \$2,500 to continue the Bus to Denver has been included for 2010. A list of the additional budget requests from non-profits has been included for discussion at the October 17 work session.

The total General Fund expenditures before transfers in the 2010 proposed budget are \$2,269,796 an increase of 15.38% or \$302,553 from the projected 2009 actuals. Of that \$74,978 is for one-time additions that do not carry forward and \$6,754 for capital additions that do not carry forward.

Airport Enterprise Fund:

Due to the current evaluation process for the operation of the Airport, the 2010 proposed budget was prepared as if the current level of costs and operations continued through 2010. That would require a subsidy of \$190,000 from the General Fund. Although that is presented as the 2010 budget it is expected that the review process will result in changes to the operations that will create a more sustainable level of subsidy and an amended budget for 2010. As a result, no walk from 2009 to a new budget was prepared for the Airport Fund.

Capital Improvement Fund:

The Capital Improvement Fund is used for capital items in excess of the \$5,000 capitalization threshold that are not for an Enterprise Fund (Water and Airport). The items in the 2010 proposed budget include the items previously discussed as part of the long-term Capital Improvement Plan (CIP) plus some new items. New items include:

- Three new lawn mowers in an effort to see if bidding three at once can reduce the individual price of \$11,000. If the price is still that high the plan is to only purchase one each year over the next three years rather than the 3 at once.
- The cost of the new financial software expected to be incurred in 2010. Some of the cost is in 2009 and some in 2010 as is the cost of the hardware for a new server and wiring for the server.
- The refurbishments of the windows in Town Hall which is dependent upon approval of the State Historic Grant for \$19,000 of the cost.
- The new power upgrades at McPhelemy Park at a cost of \$22,000 is included all in 2010 instead of partial in 2010 and partial in 2011. Hopefully it can cost less if not phased.
- The sprinkler replacement at Four Square Park is \$8,000, which is \$3,000 more than in the CIP.
- The shared sidewalk replacement program is delayed for 2010 so that \$30,000 can be devoted to the Main street sidewalk replacement.
- \$8,000 has been added for the carving at McPhelemy Park and creation of a signage plan for the Town.
- A separate line item has been added for street furniture in the downtown shopping district to better utilize the new street bump-out for pedestrians.

The \$634,307 of Capital Improvement revenues consists of grants for capital projects, contributions to projects from businesses and citizens, and Conservation Trust Fund money requested from the County for trails projects. The total budgeted expenditure for the Capital Improvement Fund for 2010 is \$1,186,529 requiring a subsidy of \$550,000 from the General Fund assuming all grants and projects are approved. The Arizona Street Trail project will use \$12,294 from the Open Space, Parks, and Trails reserve account.

General Fund Balance:

With the budgeted transfers of \$550,000 to the Capital Improvement Fund and \$190,000 to the Airport Enterprise Fund, the total deficit for the General Fund budgeted for 2010 is \$604,518 which will reduce the General Fund Balance to \$1,111,157, or 49% of the annual operating expenditures for the General Fund. Clearly, this level of deficit cannot be maintained without additional sources of revenues. However, as a *one-time event* to facilitate the construction of needed capital projects it does not threaten the health of the Town in the long-term.

Water Enterprise Fund:

The Water Fund operating revenues are budgeted to increase only .6% for 2010. System development fees are budgeted for 10 new single family residences in 2010.

A merit pool has been established for distribution to Water fund employees based on performance evaluations in 2010. The Water Fund's share of Workers' Compensation Insurance decreases \$968 and the PC & Liability Insurance decreases \$1,363. Other operational changes for the Water Fund are to:

- Increase office supplies to cover the cost of statement billing to replace the current postcards. Postcards are not considered private enough to protect consumer information and need to be eliminated to meet federal consumer protection laws.
- Increase professional services \$3,489 for the cost of software support for the utility billing and auto cad software while reducing computer supplies \$880 for the current support cost.

Onetime additions in the Administrative & General operating expenditures are \$1,000 for a folding machine and \$138,000 for early payoff of the 1974 bonds. The Plant one time operating additions are \$5,000 for additional maintenance at the plant and \$8,000 for cleaning and inspecting the water tank.

The capital expenditures are:

- \$24,203 for the implementation and training on the new utility billing and cash collections software, and
- \$3,000 for a leak detector.

No new capital water projects are planned for 2010 at this time. The ongoing hydrant replacement program is budgeted for an additional 10 hydrants to be replaced. System Development expenditures include ½ of the cost of the Auto cad software for \$2,250 and \$8,000 for new controls to make the plant operational.

Total operating expenditures are budgeted at \$693,191 for an operating surplus of \$7,287. System development expenditures of \$142,308 are offset by revenues of \$61,280 for a capital deficit of (\$81,028). Total water fund reserves are budgeted to end 2010 at \$1,228,348.

Conservation Trust Fund

The Conservation Trust Fund budget for 2010 covers the 25% cost of the parks supervisor with no planned expenditures for projects. The fund receives only about \$21,000 per year and \$12,961 is used to fund the parks supervisor position leaving only

\$8,000 for projects. The fund balance at the end of 2010 will be \$21,191 providing money for grant matching in 2011.

E. Overall Town Financial Position

The Summary of all Funds shows a summary of each fund and a total for all Town funds and fund balances. The total 2010 budget deficit for all funds is \$660,431. The total fund balance for all Town funds is budgeted to be \$2,331,293 at the end of 2010. This is a 22% decrease from the projected total fund balance at the end of 2009.

As operating costs continue to rise and the demand for Town services increases it will not be too far in the future when additional revenue sources will be required to meet those needs. Additional revenues can be generated through improved collection of all existing fees, increased fees for services, additional taxes that could be dedicated to specific purposes, and/or general taxes such as property and sales taxes. As the Town grows the financial pressure on fund balances will increase.

Another option that has been mentioned is for the Town to consider street improvements financed by bond debt that is repaid over a 20 year period rather than paying for street improvements as money is saved. This item will be discussed at the budget work session to decide whether to investigate this option further.

F. Schedule

Following the budget work session on Saturday, October 17, public hearings will be held at the regular Board of Trustees meetings on:

- October 27,
- November 10,
- November 24, and
- December 8 with budget adoption scheduled for the December 8th meeting.

Town of Buena vista
Summary of All Funds Revenues and Expenditures
2005-2009 Actuals and 2010 Adopted Budget

Town of Buena Vista 2010 Budget Summary of All Funds	2005 Audited Actual	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Adopted Budget	2009 Amended Budget	2009 Projected Actual	2010 Adopted Budget	2010 B/(W) than 2009 Actual	2010% % Inc/(dec) from 2009
General Fund										
Total Tax Revenue	\$ 1,763,705	\$ 1,888,600	\$ 1,988,535	\$ 2,086,226	\$ 2,068,789	\$ 2,068,452	\$ 2,021,497	\$ 2,017,565	\$ (3,931)	0.19%
Total Intergovernmental Revenue	147,956	158,218	157,837	156,529	147,600	147,600	163,313	175,272	11,959	(7.32%)
Total License & Permit Revenues	21,914	24,269	21,997	20,778	19,780	19,780	24,899	21,780	(3,119)	12.53%
Total Planning and Zoning Revenue	86,010	8,167	11,397	6,899	27,850	27,850	6,574	19,342	12,768	(194.23%)
Total Rent and Lease Revenue	15,575	15,878	14,819	7,465	13,919	13,919	15,249	13,989	(1,260)	8.26%
Total Fines & Penalty Revenue	25,301	21,286	31,503	34,536	25,030	25,030	35,995	34,660	(1,335)	3.71%
Total Fees for Services	10,067	7,546	8,591	10,222	9,145	9,145	11,731	9,750	(1,981)	16.89%
Total Fire Service Revenue	13,128	12,347	13,918	28,423	50,658	50,658	2,738	27,700	24,962	(911.66%)
Total Grant/Donation Revenue	8,289	9,365	30,273	4,187	1,000	1,000	500	43,000	42,500	(8500.00%)
Total Recreation Revenue	40,404	51,740	56,034	39,238	36,420	36,420	37,011	34,105	(2,906)	7.85%
Total Other Revenue	22,342	11,129	14,882	10,918	9,640	9,640	49,789	6,000	(43,789)	87.95%
Total Interest Revenue	26,985	57,027	58,851	24,736	17,020	17,020	10,239	9,900	(339)	3.31%
General Fund Revenue	\$ 2,181,675	\$ 2,265,570	\$ 2,408,638	\$ 2,430,156	\$ 2,426,851	\$ 2,426,514	\$ 2,379,534	\$ 2,413,063	\$ (3,306)	(0.14%)
General Fund Expenses										
Total Board of Trustees Expenses	10,626	9,895	11,670	15,511	18,147	18,147	15,842	19,733	(3,891)	24.56%
Total Clerk of Council Expenses	71,723	75,305	78,300	75,962	72,312	82,281	74,522	84,538	(10,016)	13.44%
Total Municipal Court Expenses	43,795	45,724	47,585	49,528	50,511	46,491	52,208	54,855	(2,647)	5.07%
Total Administrator Expenses	204,344	285,864	272,294	286,522	247,734	248,344	242,908	293,417	(50,510)	20.79%
Total Dev. Coordinator Expenses	141,418	81,378	136,431	72,048	120,535	121,383	85,165	125,784	(40,620)	47.70%
Total Election Expenses	-	857	549	13,804	600	1,230	1,257	2,600	(1,343)	106.80%
Total Financial Administration Expenses	85,664	89,959	90,459	98,747	94,371	91,431	89,789	103,110	(13,321)	14.84%
Total Town Hall Expenses	22,183	17,904	17,759	26,770	39,096	33,461	28,872	28,842	30	(0.11%)
Total Police Expenses	549,305	585,225	604,072	595,518	646,930	659,058	629,976	643,683	(13,707)	2.18%
Total Vol Fire Department Expenses	59,783	57,348	88,714	95,697	92,219	92,259	56,960	74,669	(17,709)	31.09%
Total Parks, Open space, & Trails	103,972	113,935	136,470	106,782	135,442	135,486	124,436	136,195	(11,758)	9.45%
Total Recreation Program	65,910	65,250	66,334	48,918	53,769	54,769	41,716	98,103	(56,387)	135.17%
Total Inspections Expenses	4,345	-	-	-	-	-	-	-	-	-

Town of Buena Vista
Summary of All Funds Revenues and Expenditures
2005-2009 Actuals and 2010 Adopted Budget

Town of Buena Vista 2010 Budget Summary of All Funds	2005 Audited Actual	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Adopted Budget	2009 Amended Budget	2009 Projected Actual	2010 Adopted Budget	2010 B/(W) than 2009 Actual	2010% % Inc/(dec) from 2009
Total Cemetery Expenses	-	-	-	-	-	-	-	13,298	(13,298)	
Total Public Safety Complex Expenses	20,178	19,936	27,470	22,542	22,415	25,203	22,180	23,043	(863)	3.89%
Total Rodeo Grounds Expense	2,190	1,337	1,274	1,449	2,320	2,320	3,068	2,445	623	(20.31%)
Total Community Center Expenses	20,160	22,002	29,084	23,218	27,372	27,372	21,192	23,798	(2,605)	12.29%
Total Public Works Expenses	309,989	334,982	324,071	361,754	443,328	444,267	422,509	476,870	(54,361)	12.87%
Total Public Support Before	8,226	17,375	14,178	15,684	38,602	42,702	32,965	33,497	(533)	1.62%
Total General Fund Expenditures before Transfers	1,723,811	1,824,275	1,946,714	1,910,454	2,105,703	2,126,203	1,945,564	2,238,480	(292,915)	15.06%
General Fund Operating Surplus/(Deficit)	\$ 457,864	\$ 441,295	\$ 451,924	\$ 519,703	\$ 321,148	\$ 300,311	\$ 433,970	\$ 174,584	\$ (259,387)	-59.77%
Transfer to Capital Improvement Fund	(237,424)	(194,342)	(568,206)	(66,647)	(370,000)	(525,000)	(505,000)	(380,000)		
Transfer to Fire Truck Replacement				16,045			-	(5,940)		
Transfer to Airport Enterprise Fund	(7,998)	(37,185)	(60,368)	(7,283)	(78,000)	(148,000)	(150,000)	(190,000)		
General Fund Surplus/(Deficit)	212,442	209,768	(166,650)	461,818	(126,852)	(372,689)	(221,030)	(401,356)		
Beginning General Fund Balance	1,288,744	1,495,053	1,703,661	1,536,189	1,973,521	1,973,521	1,973,521	1,752,491		
Balance Sheet adjustments	(6,133)	(1,160)	(822)	(24,486)						
Ending General Fund Balance Available	1,495,053	1,703,661	1,536,189	1,973,521	1,846,669	1,600,832	1,752,491	1,351,135		

Town of Buena vista
Summary of All Funds Revenues and Expenditures
2005-2009 Actuals and 2010 Adopted Budget

Town of Buena Vista 2010 Budget Summary of All Funds	2005 Audited Actual	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Adopted Budget	2009 Amended Budget	2009 Projected Actual	2010 Adopted Budget	2010 B/(W) than 2009 Actual	2010% % Inc/(dec) from 2009
WATER FUND										
Operating Revenue	640,510	643,108	626,008	651,967	709,727	709,727	685,692	700,478	57,760	8.42%
Administration & General	408,815	433,201	463,954	496,929	630,269	630,269	624,276	634,208	27,836	4.46%
Plant & Building	65,010	77,634	70,240	33,201	49,377	49,377	43,335	55,924	(16,176)	(37.33%)
Total Operating Expenses	473,825	510,835	534,195	530,130	518,470	679,646	667,610	690,132	11,660	1.75%
Operating Surplus/(Deficit)	166,685	132,273	91,813	121,837	191,257	30,081	18,082	10,346	46,100	254.95%
Capital Revenue	128,478	199,393	333,358	138,009	77,881	77,881	72,802	61,280	60,128	82.59%
Capital Expenditures	138,363	148,318	129,635	519,072	543,796	297,262	155,188	146,126	(24,724)	(15.93%)
Capital Surplus/(Deficit)	(9,886)	51,075	203,723	(381,063)	(465,915)	(219,381)	(82,387)	(84,846)	(84,852)	102.99%
Total Water Fund Surplus/(Deficit)	156,800	183,348	295,536	(259,225)	(274,657)	(189,299)	(64,305)	(74,500)	(15,432)	24.00%
Beginning Water Fund Balance	1,097,273	1,230,128	1,091,205	1,644,935	1,392,153	1,392,153	1,392,153	1,327,849	(252,781)	
Balance Sheet adjustments	(23,944)	(322,272)	258,194	6,444	-	-	-	(6,444)	(6,444)	
Ending Water Fund Balance	\$ 1,230,128	\$ 1,091,205	\$ 1,644,935	\$ 1,392,153	\$ 1,117,496	\$ 1,202,854	\$ 1,327,849	\$ 1,253,348	\$ (274,657)	
CAPITAL IMPROVEMENT FUND										
Capital Improvement Fund Revenues	\$ 169,305	\$ 110,414	\$ 201,998	\$ 18,511	\$ 439,158	\$ 408,153	\$ 408,110	\$ 634,307	\$ 420,647	103.07%
Total Capital Improvement Expenditures	320,454	442,204	485,122	155,772	1,061,121	1,177,180	1,117,793	1,058,212	(905,349)	(80.99%)
Capital Improvement Fund Surplus/(Deficit)	(151,149)	(331,790)	(283,124)	(137,260)	(621,963)	(769,027)	(709,682)	(423,905)	(484,703)	68.30%
Transfer From General Fund	237,424	194,342	568,206	66,647	370,000	525,000	505,000	380,000	303,353	60.07%
Beginning Capital Improvement Fund Bal	129,782	164,057	115,990	396,401	325,788	325,788	325,788	121,106	(70,613)	
Balance Sheet adjustments	(52,000)	89,381	(4,671)	-	-	-	-	-	-	
Ending Capital Improvement Fund Bal	\$ 164,057	\$ 115,990	\$ 396,401	\$ 325,788	\$ 73,825	\$ 81,761	\$ 121,106	\$ 77,201	\$ (251,963)	

Town of Buena vista
Summary of All Funds Revenues and Expenditures
2005-2009 Actuals and 2010 Adopted Budget

Town of Buena Vista
2010 Budget Summary of All Funds

CONSERVATION TRUST FUND

	2005 Audited Actual	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Adopted Budget	2009 Amended Budget	2009 Projected Actual	2010 Adopted Budget	2010 B/(W) than 2009 Actual	2010% % Inc/(dec) from 2009
Conservation Trust Fund Revenue	\$ 22,295	\$ 18,442	\$ 23,319	\$ 23,228	\$ 22,900	\$ 22,900	\$ 21,433	\$ 21,239	\$ (328)	(1.53%)
Conservation Trust Fund Expenses	14,615	49,389	12,162	42,657	29,395	29,366	29,593	13,002	13,262	44.82%
Conservation Trust Fund Surplus/(Deficit)	7,680	(30,946)	11,158	(19,429)	(6,495)	(6,466)	(8,160)	8,237	12,934	(158.52%)
Beginning Conservation Trust Fund Bala	52,520	60,201	29,384	40,542	21,084	21,113	21,113	12,954	(19,458)	
Balance Sheet adjustments	1	130	-	-	-	-	-	-	-	
Ending Conservation Trust Fund Bala	\$ 60,201	\$ 29,384	\$ 40,542	\$ 21,113	\$ 14,589	\$ 14,647	\$ 12,954	\$ 21,191	\$ (6,524)	

AIRPORT FUND

Airport Operating Revenue	30,913	21,264	219,946	293,245	427,760	245,060	210,895	204,541	134,515	63.78%
Airport Operating Expenditures	25,240	72,766	314,893	392,283	461,200	368,082	323,215	331,763	(68,917)	(21.32%)
Airport Operating Surplus/(deficit)	5,673	(51,502)	(94,947)	(99,039)	(33,440)	(123,022)	(112,321)	(127,222)	65,599	(58.40%)
Airport Capital Revenue	142,607	322,061	31,461	75,748	439,002	410,502	209,602	278,295	363,254	173.31%
Airport Capital Expenditures	146,537	306,780	20,206	122,541	489,577	461,577	247,609	326,107	(367,036)	(148.23%)
Airport Capital Surplus/(Deficit)	(3,930)	15,281	11,255	(46,794)	(50,575)	(51,075)	(38,007)	(47,812)	(3,781)	9.95%
Airport Enterprise Fund Surplus/(Deficit)	1,742	(36,221)	(83,693)	(145,832)	(84,015)	(174,097)	(150,328)	(175,034)	61,817	(41.12%)
Transfer from General Fund	7,998	37,185	60,368	7,283	78,000	148,000	148,000	190,000	(70,717)	(47.78%)
Beginning Airport Fund Balance	35,198	44,939	45,903	22,578	229,564	(115,971)	(115,971)	(118,299)	206,986	
Balance Sheet adjustments	-	1	-	-	-	-	-	-	-	
Ending Airport Enterprise Fund Balan	\$ 44,939	\$ 45,903	\$ 22,578	\$ (115,971)	\$ 223,549	\$ (142,068)	\$ (118,299)	\$ (103,333)	\$ 339,520	

Town of Buena Vista
Summary of All Funds Revenues and Expenditures
2005-2009 Actuals and 2010 Adopted Budget

Town of Buena Vista
2010 Budget Summary of All Funds

2010%
% Inc/(dec)
from 2009

2010
B/(W) than
2009 Actual

2010
Adopted
Budget

2009
Projected
Actual

2009
Amended
Budget

2009
Adopted
Budget

2008
Audited
Actual

2007
Audited
Actual

2006
Audited
Actual

2005
Audited
Actual

Summary of All Funds Net of Interfund Transfers																
Revenues All Funds																
General Fund Revenues	\$	2,181,675	\$	2,265,570	\$	2,408,638	\$	2,430,156	\$	2,426,851	\$	2,426,514	\$	2,413,063	\$	33,529
Water Enterprise Fund Revenues		640,510		643,108		626,008		651,967		787,609		787,609		761,758		3,264
Capital Improvement Revenues		169,305		110,414		201,998		18,511		439,158		408,153		634,307		226,197
Conservation Trust Fund Revenues		22,295		18,442		23,319		23,228		22,900		22,900		21,239		(194)
Airport Enterprise Fund Revenues		30,913		21,264		219,946		293,245		866,762		655,562		482,836		62,339
Total Town Revenues		3,044,698		3,058,799		3,479,909		3,417,108		4,543,280		4,300,737		3,988,068		325,135
Expenditures All Funds																
General Fund Expenditures		1,723,811		1,824,275		1,946,714		1,910,454		2,105,703		2,126,203		2,238,480		(292,915)
Water Enterprise Fund Expenditures		473,825		510,835		534,195		530,130		1,062,266		976,908		836,258		(13,460)
Capital Improvement Expenditures		320,454		442,204		485,122		155,772		1,061,121		1,177,180		1,058,212		59,581
Conservation Trust Fund Expenditures		14,615		49,389		12,162		42,657		29,395		29,366		13,002		16,591
Airport Enterprise Fund Expenditures		25,240		72,766		314,893		392,283		950,777		829,659		657,870		(87,046)
Total Town Expenditures		2,557,946		2,899,469		3,293,085		3,031,295		5,209,262		5,139,316		4,486,572		(317,249)
Total Town Surplus/(Deficit)	\$	486,753	\$	159,331	\$	186,824	\$	385,813	\$	(665,982)	\$	(838,579)	\$	(490,619)	\$	7,886

Summary of December 31, 2010 Reserves by Fund																		
General Fund Reserves	\$	1,495,053	\$	1,703,661	\$	1,536,189	\$	1,973,521	\$	1,846,669	\$	1,600,832	\$	1,752,491	\$	1,351,135	\$	(401,356)
Water Enterprise Fund Reserves		1,230,128		1,091,205		1,644,935		1,392,153		1,117,496		1,202,854		1,327,849		1,253,348		(74,500)
Capital Improvement Reserves		164,057		115,990		396,401		325,788		73,825		81,761		121,106		77,201		(43,905)
Conservation Trust Fund Reserves		60,201		29,384		40,542		21,113		14,589		14,647		12,954		21,191		8,237
Airport Enterprise Fund Reserves		44,939		45,903		22,578		(115,971)		223,549		(142,068)		(118,299)		(103,333)		14,966
Total Town Reserves all Funds	\$	2,994,378	\$	2,986,143	\$	3,640,645	\$	3,596,605	\$	3,276,129	\$	2,758,026	\$	3,096,100	\$	2,599,542	\$	(496,559)
Annual Change	\$	390,861	\$	(8,234)	\$	654,502	\$	(44,041)	\$	(320,476)	\$	(518,103)	\$	(180,028)	\$	(496,559)		
Annual % change		15.01%		(0.27%)		21.92%		(1.21%)		(8.91%)		(15.81%)		(5.50%)		(16.04%)		

Municipal Fund Accounting Basics

What is so different about governmental accounting from business accounting?

Governmental accounting is also called Fund Accounting and is used by other types of non-profit entities in addition to governmental entities. Fund accounting is similar to the business concept of having subsidiary businesses owned by a parent corporation. Each type of business has its own set of books. In government, funds are used to maintain records for each separate type of services provided by government entities.

A fund is defined as “a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.” This definition which originated from the Governmental Accounting Standards Board (GASB) was adopted into Colorado statute 29-1-102 Definitions in the Local Government Budget Law.

GASB has also defined 3 types of funds: 1) Governmental Funds, 2) Proprietary Funds, and 3) Fiduciary Funds. Exhibit 1 identifies the different category of funds within each type.

Another major difference between business accounting and government accounting is the use of different terminology to distinguish between the profit and non-profit focus of the entity. Since a governmental entity is a non-profit entity there is not an accumulation of equity like in a corporation, but rather the fund balance represents the accumulated difference between assets and liabilities on the Balance Sheet. Rather than an Income Statement a government entity has a Statement of Revenues, Expenditures and Changes in Fund Balance. The terms revenues and expenditures are used in place of the terms income and expense that are used by business.

The terms revenue and expenditure are much broader than income and expense used in business accounting. Revenue is defined as “**all resources** available to finance expenditures.” Expenditure is defined as “**any use of financial resources** of the local government consistent with its basis of accounting for budget purposes for the provision or acquisition of goods and services for operations, debt service, capital outlay, transfers, or other financial uses.”

Who sets the rules for municipal accounting?

As an arm of the state, a Colorado municipality is governed by the budgeting, investing, and financial management rules established by the state. Colorado has published a 373 page Financial Management Guide for Colorado Local Governments. In addition, Generally Accepted Accounting Principles (GAAP) for governments are established by the Governmental Accounting Standards Board (GASB) which is separate from the Financial Accounting Standards Board (FASB) that sets accounting standards for business.

In Colorado, the State Treasurer's Office and the Department of Local Affairs (DOLA) monitor the budgeting process for local governments. The budget and any supplemental appropriations are certified to DOLA. The audited financial statements are also sent to DOLA. DOLA reviews the financial statements and sends comments to the local government, frequently about something in the footnotes.

Should there be conflicts between GAAP, GASB, and Colorado rules, the Colorado rules must be followed by Buena Vista. For instance, Colorado requires the Local Highway Report as supplemental information in the Financial Statements, but GASB does not.

What is the role of the budget in governmental accounting?

The Colorado budget law for local governments requires an annual budget that presents a complete financial plan by fund and by spending agency within each fund for the budget year. In addition, the state prescribes what has to be included in the budget report. The budget is then the legal document which sets the limits on what money the entity can expend during that year. The state requires balanced budgets for local governments.

In addition to the legal requirements, the Government Finance Officers Association (GFOA), publishes best practices and has an award for Distinguished Budget Presentation to encourage governments to publish budgets that inform the citizens. A complete government budget should identify long-term financial policies and goals and serve as a financial plan, an operations guide, and a communication device. This means the document should be attractive and understandable by the average reader.

The inclusion of goals and performance measures that identify the services to be delivered through the budget has been refined over the last 15 years and is becoming quite widespread. The use of performance measures has been identified as a way to communicate desired outcomes to the public and to employees. It also provides a means of holding employees accountable for achieving the results identified by the elected leaders as the priorities. Although the process of establishing valid performance measures takes a good deal of time initially, the path has been paved by the larger organizations that have been refining the process for many years.

What is the difference between the Financial Statements and the budget?

While the budget is a financial plan, an operating guide, and a communications device for a given year, the financial statements are a report of what happened and how the Town ended the year financially. Line item budgets include a large amount of detail information. The financial statements are a big picture look at the overall financial health of the organization. The Financial Statements for Buena Vista have 6 main parts –

- the auditor's opinion,
- the management discussion and analysis,
- the formal financial statements (Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balance, and the Statement of Cash Flows),
- the footnotes,
- the comparison of budget to actual, and
- the Local Highway Use Report.

Larger municipalities issue a Comprehensive Annual Financial Report (CAFR) which includes additional items such as a transmittal letter, a section providing more detail on the individual funds, and a statistics section. The CAFR provides more information about the community and the economic drivers in the community than the Financial Statements alone provide. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governments that issue high quality comprehensive annual financial reports.

Types of Government Funds

Governmental		Proprietary		Fiduciary	
Fund Categories	Town Fund	Fund Categories	Town Fund	Fund Categories	Town Fund
General	General Fund	Enterprise	Water, Airport	Employee Benefit Trust	Firefighters Pension
Special Revenue	Conservation Trust	Internal Service		Investment Trust	
Capital Projects	Capital Improvements			Agency	
Debt Service				Private-Purpose Trust	
Permanent					

The Town of Buena Vista General Fund includes the following departments:

- Administration
- Town Clerk
- Mayor & Board of Trustees
- Municipal Court
- Development Coordinator (Planning)
- Finance
- Police
- Fire
- Recreation
- Cemetery
- Parks, Open Space, & Trails
- Public Works
- Community Center
- Rodeo Grounds
- BTVV

Description of Town Services and Departments

The Town of Buena Vista (Town) was incorporated in 1879. As a statutory Town of Colorado, Buena Vista operates with a Mayor-Council form of government. The Mayor is directly elected to a four year term. The Town elects 6 members of the Board of Trustees for staggered four year terms with 3 Board members elected in April of even numbered years. The Town Board of Trustees appoints a Town Administrator who is responsible for day to day operations and manages all Town departments. The Town Clerk, Treasurer and Attorney are also appointed by the Board of Trustees.

The Town of Buena Vista provides Public Safety services through the Police and Fire Departments. The Police Department provides 24 hour police coverage for the Town and offers mutual aid to the County Sheriff's Office when requested. The Police Department employs 2 sergeants, 4 patrol officers, one administrative assistant who also serves as the municipal court clerk, one animal enforcement officer, one part-time officer, and occasional reserve officers in addition to the Police Chief.

The Fire Department is a volunteer fire department with a part-time administrative assistant, a part-time fire inspector, and a part-time mechanic. In addition to responding to calls within the Town limits, the Fire Department provides mutual aid to the Chaffee County Fire District. The Fire Department provides fire prevention programs in the community, conducts fire inspections to insure compliance to the fire code, conducts regular training programs, and maintains the fire fighting equipment in ready condition.

Recreational opportunities are provided through the Town's Recreation department, and an extensive network of Town Parks and trails. The recreation program offers a variety of outdoor recreation, team sports, fitness, dance, art, music and skills training classes in addition to conducting travel trips for adults and children. The recreation program employs one part-time coordinator on a year round basis and hires teachers, umpires, and scorekeepers as needed for programs.

The park, ballfields, and trail amenities are maintained by the Public Works Department employees. They also manage the construction and improvements to the park and trail amenities. A part-time parks supervisor is employed year round and 3 seasonal employees are hired in the summer to maintain the parks and the Town cemetery. A 2009 GOCO grant to add 2 more play structures to the whitewater park and add bouldering rock structures to the river park was awarded to the Town. The climbing boulders are installed and operational, the whitewater park improvements will be completed by spring 2010,

The 2009 and 2010 General Fund budget provided funds to provide ongoing maintenance and preserve the improvements to the Barbara Whipple Trail that were made in 2008 by hiring the SW Conservation Corp during the summer.

The 2010 budget includes a project on Arizona Street for the construction of a trail and bike lane. An additional CDOT enhancement grant for the construction of a pedestrian

bridge and additional bike lanes has been submitted for 2010 but will not be awarded until December, 2009. The 2010 budget includes both projects.

The Public Works department provides maintenance on all Town property including the parks, the water, streets, and public buildings. Public Works employees water, mow, and fertilize the park grass, patch and pave the Town streets, paint parking spaces and curbs on Town streets, plow snow, and clean downtown streets. Public Works has a full time mechanic that provides regular maintenance to the Public Works equipment and vehicles, in addition to the Police vehicles. Public Works employees also oversee all Town construction projects and inspect subdivision improvements that will become Town property to insure compliance with Town construction standards.

The Public Works Department shares three full-time employees 50/50 with the water department, employs a full-time mechanic and engineer, a part-time custodian for town buildings, and three full-time street maintenance employees who also do whatever maintenance is needed on town buildings, sidewalks, and other properties.

The Water Enterprise Fund provides funding for the costs incurred by Public Works employees for the water treatment and infrastructure, water metering and billing. Public works employees install and maintain water meters, read water meters monthly, make the connection for new water customers, thaw frozen water meters, and repair water line leaks. In addition to the half-time employees shared with Public Works the Water department employs two water technicians on a full-time basis. The costs for personnel, materials, and purchased services for these activities are outside of the General Fund.

The Town's Community Development Department, maintains the Town's land use code and zoning map, and provides support to the Planning and Zoning Commission, the Board of Appeals, the Trails Advisory Board, and the Beautification Committee. The Town contracts with the Chaffee County Building Department to review and issue building permits within Town limits. The Town Planner is the only full-time employee of the Community Development Department. The part-time Zoning Compliance Officer handles citizen complaints about building and land use issues. The Administrative Assistant for the Town Administrator provides support for the Planner in addition to attending the P&Z Commission meetings and distributing minutes of the meetings.

The Town owns the Colorado Regional Airport that is operated as an Enterprise Fund. In May, 2007 the Town hired a full-time Airport Manager to operate the Airport. In August, 2008 the Town entered into an agreement to trade land for the existing Terminal building at the Airport. An FAA grant was been awarded that will allow the Town to refurbish the building during the winter of 2009-2010.

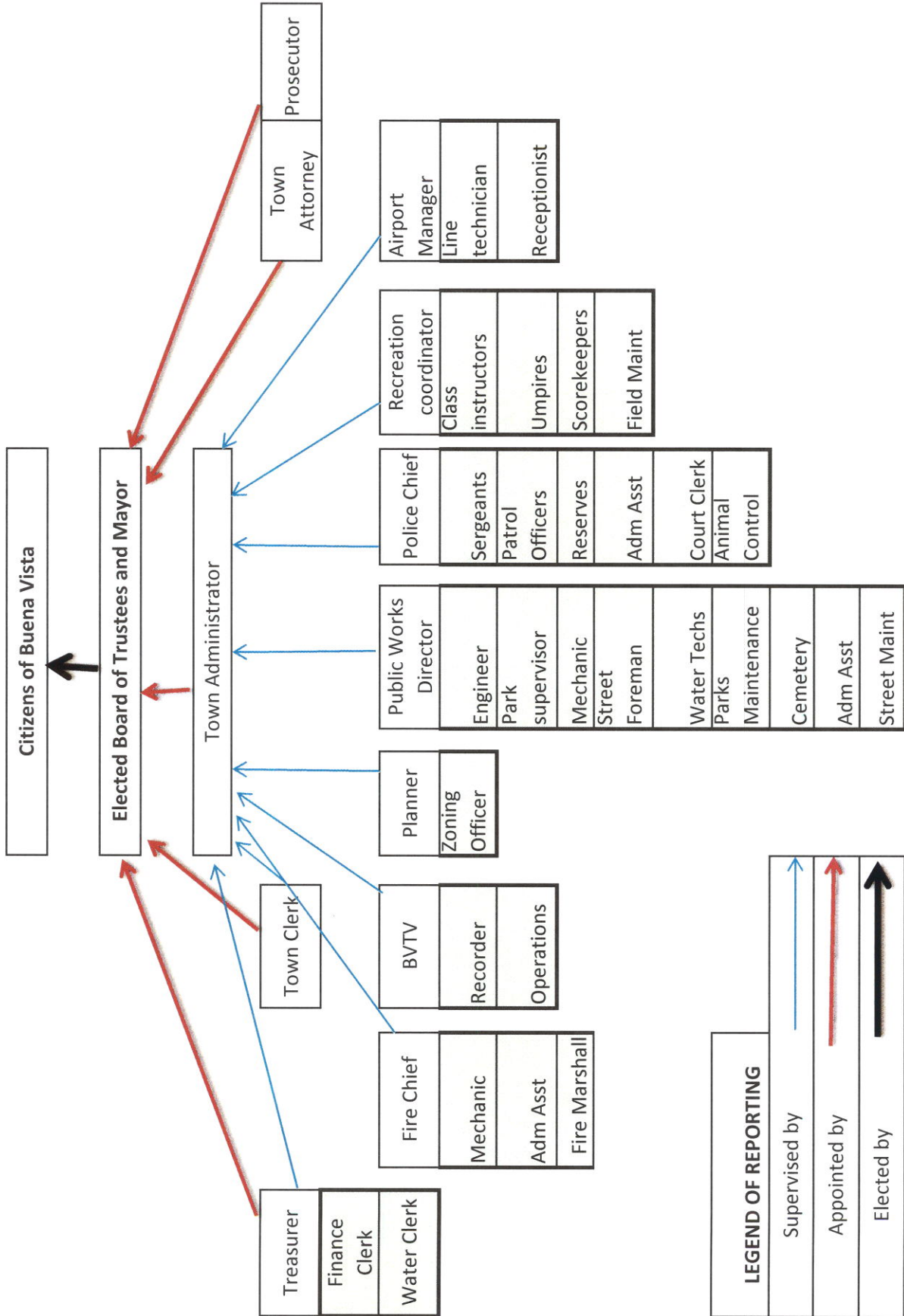
The Town operates a Municipal Court system that upholds Town ordinances. Court is conducted once a month. The Town prosecutor is a local attorney under contract with the town to provide the legal services for Municipal Court. The Court Clerk collects payments for fines, schedules court hearings for offenders, and issues bench warrants when required. The Court Clerk is also the administrative assistant to the Police

Department. The Town Judge is a local attorney hired by the town as a part-time employee to oversee the Court.

Services provided at Town Hall include the issuance and maintenance of Death and cemetery records, liquor licenses, transient vendor licenses, business and animal licenses, the monthly billing of water fees, maintenance of Town records, issuance of Town permits, payment of Town bills and payroll, and collection of Town revenues.

The Town maintains a website at buenavistaco.gov to provide current information to citizens and interested persons. The website contains information on Town activities, municipal code, town meetings, agendas, contact information and financial information. Suggestions for information to post on the website should be submitted to the Town Administrator.

Town of Buena Vista
Organizational Chart
2010 Budget



LEGEND OF REPORTING	
Supervised by	→
Appointed by	→
Elected by	→
Direct Report to person at top	→

Town of Buena Vista

2010 Budget

SECTION 2

REVENUE MANUAL

1

Revenue Manual Topics

Property Tax

Town Sales Tax

County Sales Tax

Highway Use Tax

Franchise Tax

County Road & Bridge

Property Tax

Distribution: General Fund 100%

Source: Buena Vista Property Owners

Collection: The collection process begins with the Chaffee County Assessor's Office. Two types of property are valued by the Assessor's Office: 1) real property (land & buildings) and 2) personal property (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed calculation of property based on State-legislated assessment percentages. Property is assessed at the end of one year, for collection in the following year. A five year history of these assessment percentages is provided in the table below.

Assessment Percentages

Real Property:

Commercial – 29% of market value

Residential – 7% of market value

Town of Buena Vista Assessed Valuations

Total assessed valuation (in millions) for the Town of Buena Vista for the past five (5) years is shown in the following table:

Year:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation:	\$38.1	\$39.1	\$43.3	\$43.4	\$49.9

Mill Levies for Buena Vista Residents

Assessments are furnished by the county Assessor's Office to the Chaffee County Treasurer's Office. The County Treasurer's Office issues property tax bills to every property owner based on the property's assessed valuation and the total mill levy which local governments have certified for the year. Within Buena Vista, mill levies are certified by the Town of Buena Vista, Chaffee County, the Buena Vista School District, the Salida Hospital District, the Buena Vista Sanitation District, the Upper Arkansas Water District, the Southeast Colorado Water District, the Northern Chaffee County Library District. Some Buena Vista property owners are also subject to mill levies from the Chaffee County Fire District.

Five Year Mill Levy History (Year of assessment)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Town of Buena Vista	6.811	6.683	6.300	6.667	5.914
B.V. School District	27.304	27.223	26.690	26.532	

B.V. Library District	2.5	2.5	2.5	2.5
Upper Ark Water District	.423	.4475	.443	.431
B.V. Sanitation District*	1.787	1.817	1.707	1.776
Salida Hospital District	1.198	1.261	1.202	1.262
Chaffee County	7.66	8.519	7.944	8.242
Southeast Colorado Water	.943	.941	.915	.943
Chaffee Fire District*	<u>3.936</u>	<u>3.936</u>	<u>3.936</u>	<u>3.936</u>
Total max	52.562	53.3275	51.637	52.289
Town % of Tax Bill	12.96%	12.53%	12.20%	12.75%

(* Not collected in every section of Town limits)

Payment

Property owners pay property taxes to Chaffee County in either two installments due February 28 and June 15 or in one installment due April 30. Chaffee County sends a check for the Town's property taxes collected each month to the Town by the 10th of the next month. The County is responsible for collecting delinquent property taxes.

Computing the Property Tax Bill

The formulas for computing property taxes are as follows:

Assessed valuation = Property market value x Assessment percentage

Property Tax = Assessed valuation x Mill levy / 1000

For the 2008 assessments paid in 2009, the owner of a home with a market value of \$200,000 would have paid \$93.34 in property taxes to the town of Buena Vista and \$638.71 to all the other governmental entities collecting property taxes.

Forecast

Based on the 2009 assessed valuation of real property in Buena Vista of \$49,884,253 with a mil levy of 5.914, the property tax collections received in 2009 are forecast to be \$294,549.

Appendix 4 shows the town of Buena Vista annual property tax collections, mil levy, and assessed valuation from 2001-2009.

Town Sales Tax

Distribution: General Fund 100%

Source: Visitors, residents, employees in the Town of Buena Vista

Collection: The citizens of Buena Vista voted to increase the Town sales tax rate to 2% in 1986. Sales tax is charged on all retail sales including food, although governments and non-profits are exempt by the State of Colorado from paying both local and state sales tax.

As a statutory town, Buena Vista is not allowed to collect sales taxes or administer the collection of sales taxes, including enforcement actions. The State of Colorado collects sales taxes due the Town and remits collections directly to the Town's bank account by the 12th of the month following remittance from the business. The State takes enforcement actions for the collection of the Town's sales taxes in coordination with enforcement for collection of the State's 2.9% sales tax. Businesses submit sales taxes to the State on a monthly, quarterly, or annual basis depending upon their level of taxable sales.

Five Year Trend of Sales Tax Collections

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Town sales taxes	\$790,471	\$845,841	\$911,737	\$963,899	\$1,014,258

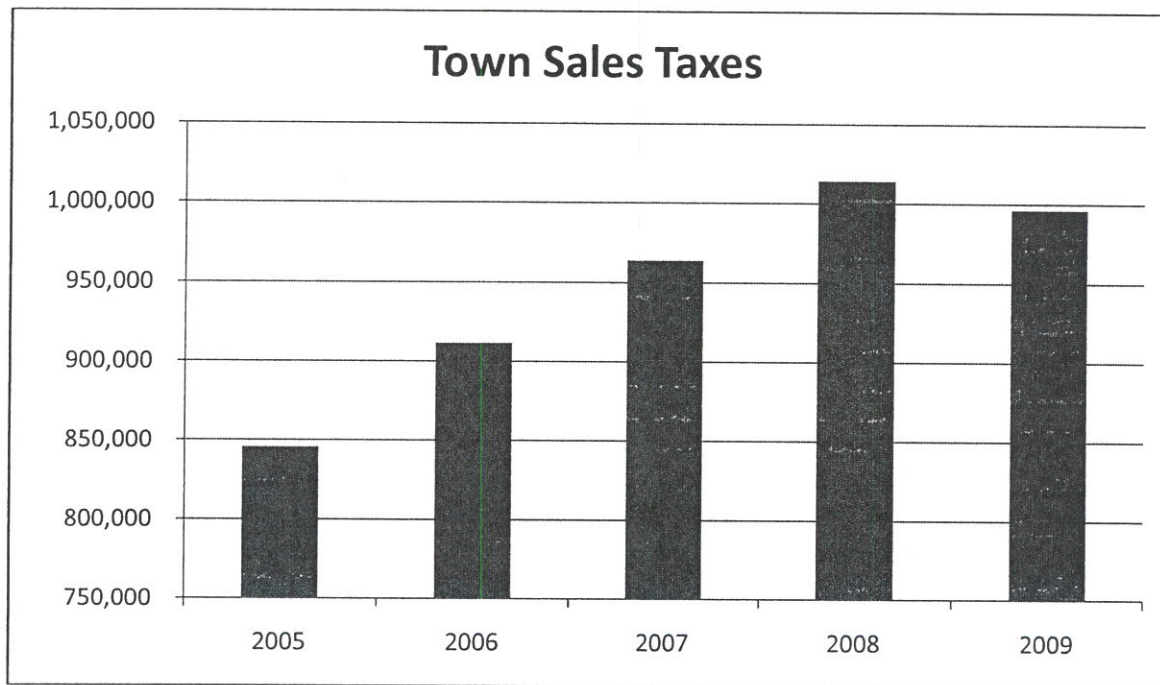


Figure 1: Town Sales Tax Trends of Revenues

Forecast: 2009 – \$996,339

2010 - \$996,000

Rationale: The nation has suffered from a severe economic downturn since the fall of 2008. Although many Colorado mountain communities experienced a 10-20% decline in sales tax revenues in both 2008 and 2009, the Town of Buena Vista has actually seen a 5.34% increase in 2008 and a 3.4% increase in 2009. The forecast for the balance of 2009 collections is conservative with the last 3 months of collections forecast at the 2008 level without the 3.4% increase captured in the first 9 months of the 2009. The total 2008 collections were increased by a one-time \$20,000 collected by the State on enforcement actions that represent the prior 3 years worth of additional taxes. This amount is excluded from the month over month comparisons from 2008 to 2009.

The 2010 forecast is for collections to be level with 2009 with no increase. The current economic condition in the country is still tenuous. Although Buena Vista continued to benefit in 2009 from the normal middle class tourist base that enjoys the outdoor amenities available in the area a continued slow economy could reduce the time and money visitors spend in Town in 2010. The employment base from the state prison, federal agencies and the local school system are expected to remain stable, but the influx of tourists is uncertain.

County Sales Taxes

Distribution: General Fund 100%

Source: Visitors, residents, and employees in Chaffee County

Collection: The citizens of Chaffee County adopted a 1% sales tax in 1969 to be distributed to the municipal governments and the County based on motor vehicle registrations. The citizens later voted to increase the sales tax percentage to 2%. The sales tax is collected on retail sales in Chaffee County and remitted to the State by businesses. The State sends the taxes collected one month to the County by the 12th of the following month. The County wires each municipality's share directly to their bank account within 24 hours of receiving the funds from the State. For 2009 Buena Vista's share of the County sales tax was 14.1%. Over the last ten years as more development has occurred in the unincorporated county limits, the municipalities' percentage share of the county tax has declined.

Five Year Trend of Buena Vista's County Sales Tax Collections

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
County Sales taxes	\$585,254	\$609,441	\$649,392	\$692,054	\$732,270

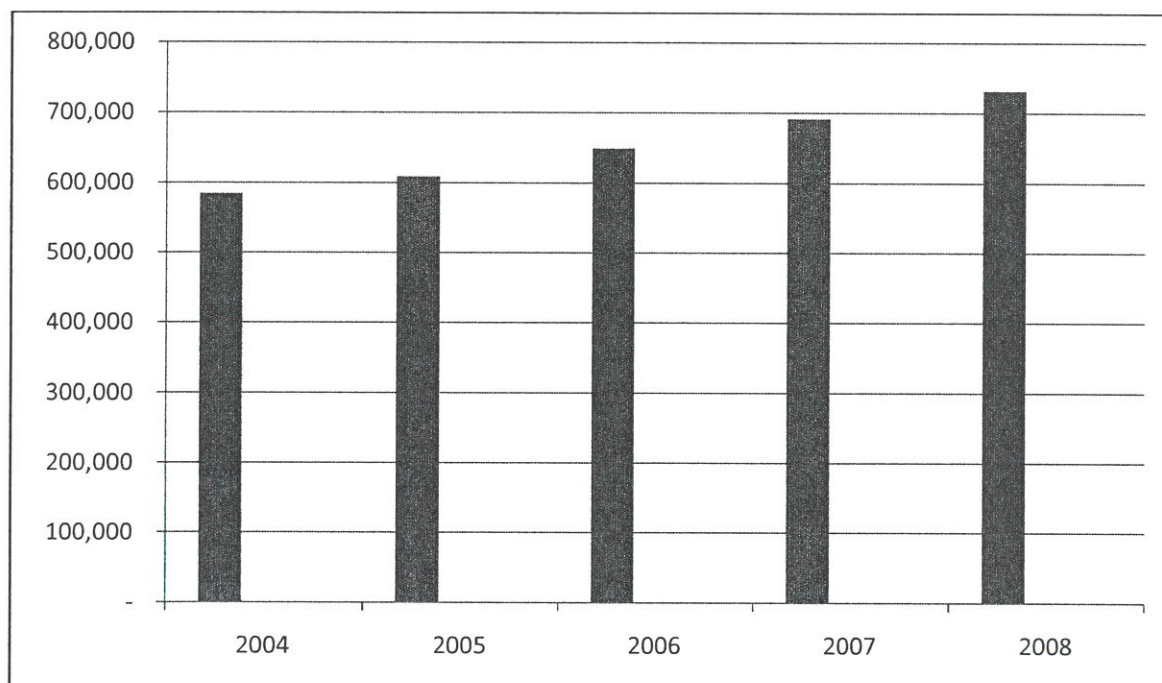


Figure 22: Town Share of County Sales Tax Trends

Forecast: 2009 - \$663,664 2010 - \$663,000

Rationale: Chaffee County sales taxes declined about 8-10% in 2009 compared to 2008 collections along with the majority of Colorado communities due to the increase in

unemployment and the decline of tourists as the national economy suffered from a severe economic downturn, a pullback in the housing market, and difficulty for both consumers and businesses to obtain financing. Buena Vista's receipts from County sales taxes for the first 9 months of 2009 have been 8.5% less than collected in the same period of 2008. The same level of decline is forecast for the last 3 months of 2009. 2010 collections are forecast to be at the same level as 2009. At this time the economy in Chaffee County is relatively stable. No further decline is expected in 2010, nor is a significant increase expected. No increase can be expected until the housing market recovers, and retirees feel more confident to retire and build new houses in Chaffee County.

Appendix 6 shows the Town and County sales tax received each year from 2001 through the 2010 budget.

Business Franchise Taxes

Distribution: General Fund 100%

Source: Utilities operating in Buena Vista – Gas, electric, television cable, and telephone – are granted a franchise agreement to provide services in the Town and use the Town street right-of-ways for cable, or pipe to bring those utilities to citizens. A fee is charged for that use of the Town property. Each fee is assessed differently, in accordance with the franchise agreement.

Electric – Sangre de Cristo Rural Electric
Gas – Atmos Energy
Cable – Bresnan Communications
Telephone – Qwest Communications

Collections: Both the fees and the method of payment are dependent upon the franchise agreement with each entity.

Electric – Sangre de Cristo Rural Electric submits quarterly payments to the Town based on the amount of revenue received from Buena Vista residents.

Gas – Atmos Energy submits an annual payment to the Town by February of each year based on sales in the prior year to Buena Vista residents.

Cable – Bresnan submits an annual payment to the Town by February of each year based on sales in the prior year to Buena Vista residents.

Telephone – Qwest pays an annual fee of \$3,000 to offer telephone services to Buena Vista residents. The fee is paid each January for the prior year.

Five Year Trend of Franchise Fee Collections

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Electric	\$17,905	\$19,953	\$21,075	\$28,350	\$24,864
Gas	18,735	15,514	16,349	11,998	14,445
Cable	14,277	14,620	15,779	15,646	16,168
Telephone	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total	\$53,917	\$53,087	\$56,203	\$58,994	\$58,477

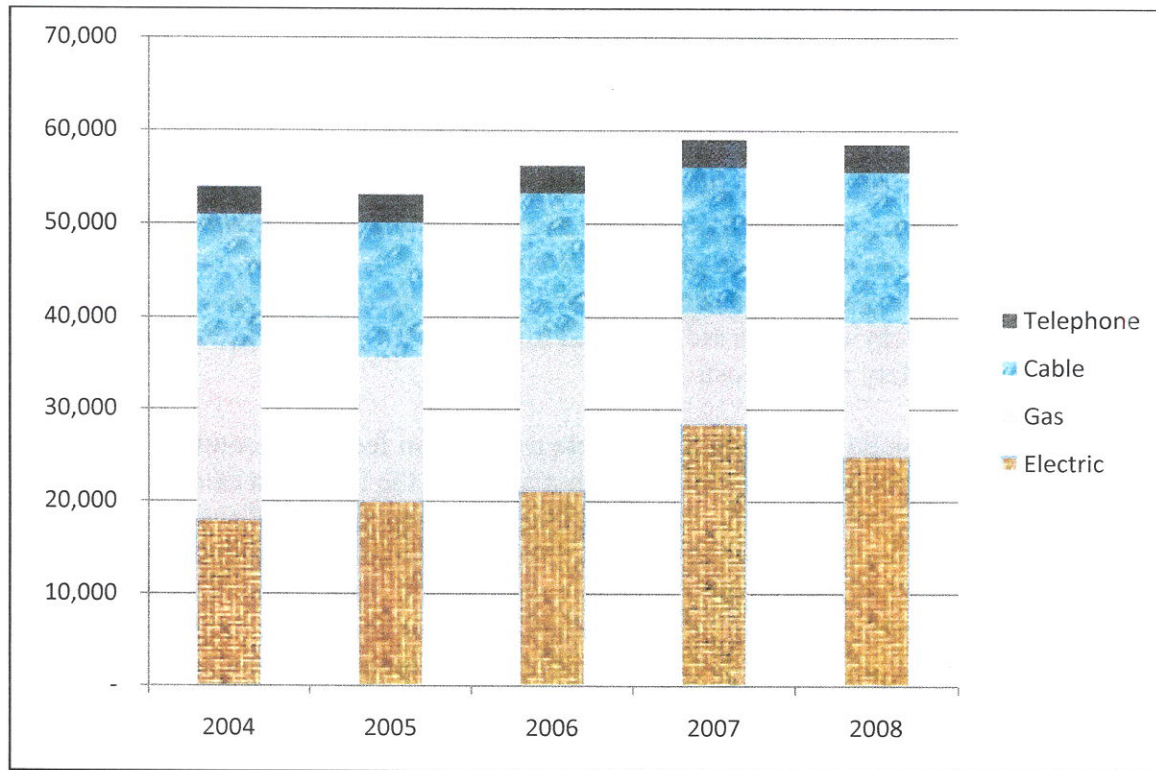


Figure 3: Franchise Tax Trends of Revenues

Forecast: 2009 – \$58,838 Total 2010 - \$59,700

Rationale: Electric and natural gas franchise fees reflect weather conditions that affect usage, fees charged by the companies, and the number of residents using the services. Cable franchise fees reflect the number of customers and the fees charged for services. Electric rates have increased over the past 2 years and Atmos gas has submitted a rate increase for gas for 2010, so each of those companies can expect higher revenues which will translate into increased franchise fees for the Town.

2009 cable franchise fees are projected to be slightly higher than 2008 and then remain steady for 2010. The telephone franchise fee is set at an annual rate of \$3,000.

Highway Use Tax

Distribution: General Fund 100%

Source: Gasoline tax, motor vehicle registration fees, and road safety surcharge fees on vehicle registration collected by the State of Colorado on fuel sales and vehicle registrations within the State. Highway use taxes are allocated to counties and municipalities based on statutory formulas that utilize the relative miles of roads maintained and the number of registered motor vehicles in each entity. Highway use taxes are restricted to be used for road maintenance, improvements, repairs and safety related costs.

Collection: The State of Colorado collects motor vehicle registration fees from counties and motor fuels taxes from businesses each month, and then distributes the funds via electronic funds transfer to each eligible entity in Colorado by the 20th of the following month. Revenues are distributed 60% to the state, 22% to counties, and 18% to municipalities. The total municipality share is distributed based on each municipality's relative share of the number of registered motor vehicles and the center line miles of streets compared to all other municipalities in the state. Generally, 80 percent of the distribution is based on the number of registered motor vehicles and 20% on the number of street miles. The percentage share is calculated each July based on the previous year's data.

Five Year Trend of Highway Use Tax Receipts

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Highway Use Tax	\$95,136	\$88,904	\$93,933	\$97,539	\$86,345

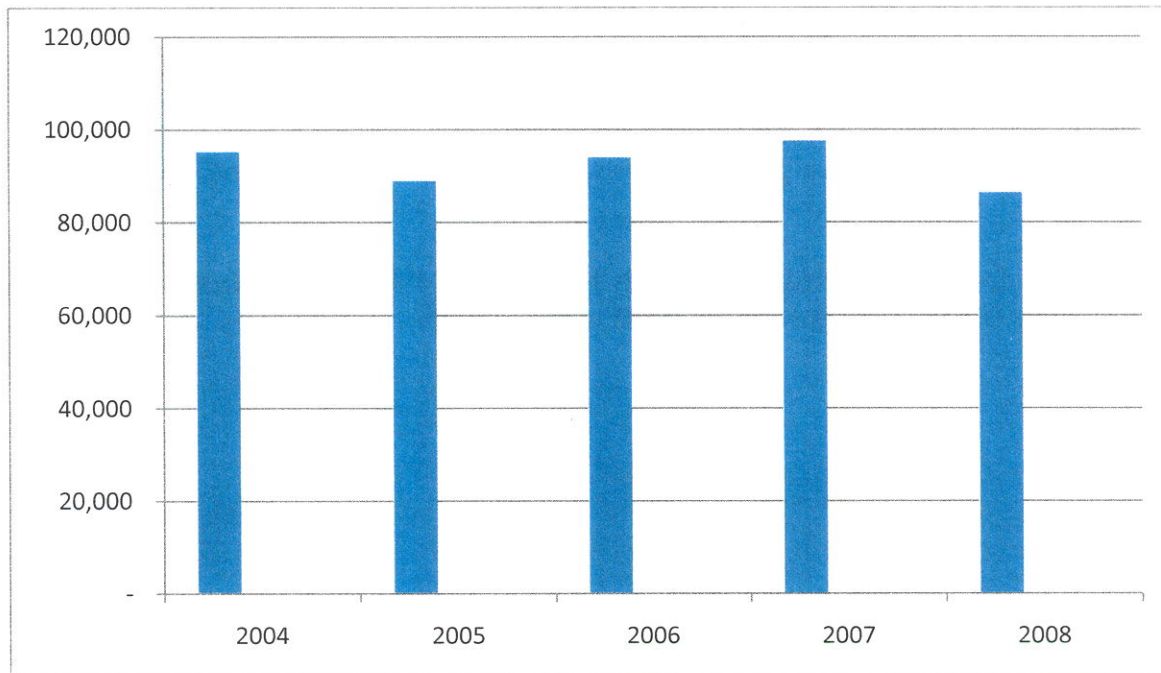


Figure 3: Highway Use Tax Trend of Revenues

Forecast: 2009 - \$91,551 2010 - \$106,872

Rationale: The Colorado legislature passed the first increase in Highway Use taxes since 1995 in addition to provisions to increase the collection rate and distribute the funds faster to other entities. As a result the Town of Buena Vista will have increased receipts for the last 6 months of 2009 and for the full year of 2010. The Colorado Municipal League provides an estimate to members for use in developing the budget each year. This estimate was used to prepare the Buena Vista 2010 budget for Highway Use taxes.

County Road & Bridge Revenue

Distribution: General Fund 100%

Source: Residents and businesses owning property in Chaffee County

Collection: Chaffee County imposes a .135 mil levy dedicated to road and bridge improvements throughout Chaffee County. Because Chaffee County only works on roads and bridges in the unincorporated areas of the County, the State requires that the County return one half of the road and bridge levy to each incorporated entity in the County. The formula used to compute the amount returned to Buena Vista is as follows:

$$\text{County Road and Bridge levy} \times \text{Total Town Assessed Value} / 1000 / 2 = \text{Town portion}$$

The money is distributed to the Town each month along with the property tax collections from the prior month.

Five Year Trend in County Road & Bridge Revenues

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Town share	\$2,304	\$2,448	\$2,549	\$2,760	\$2,802

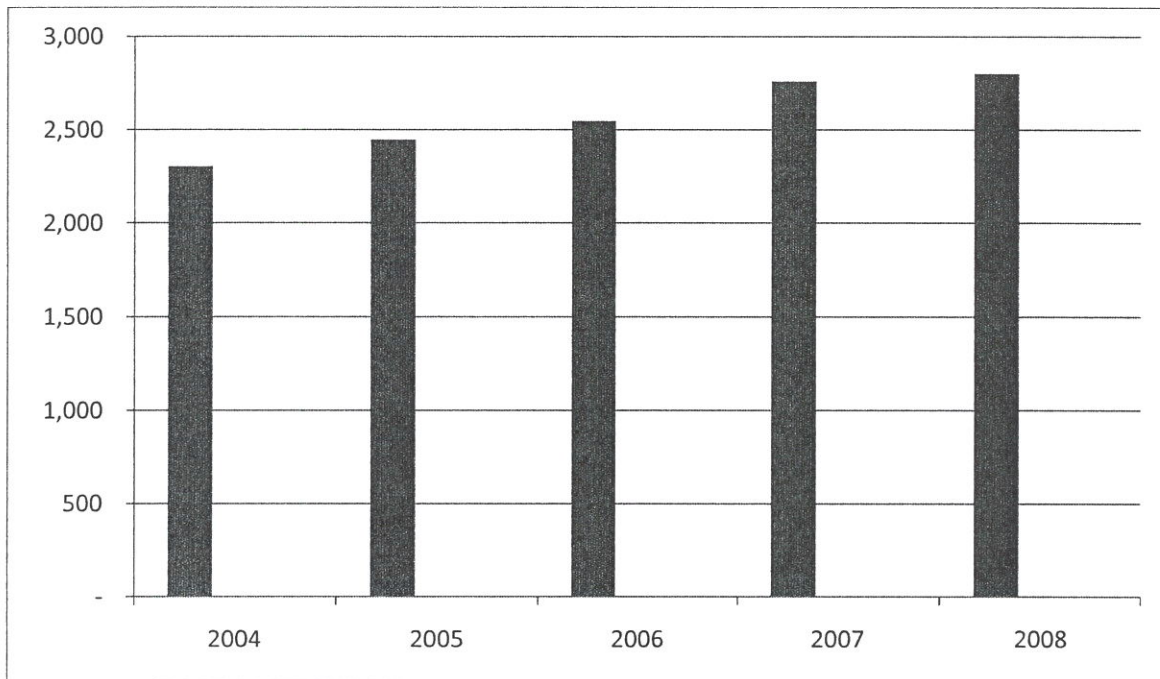


Figure 4: County Road & Bridge Tax Trends of Revenues

Forecast: 2009 – \$2,906 2010 - \$2,900

Rationale: As property values have increased in Buena Vista the Town has seen a slow increase in revenues from the County Road and Bridge tax each year.